

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6030**

**BILL NUMBER:** HB 1496

**DATE PREPARED:** Oct 5, 2000

**BILL AMENDED:**

**SUBJECT:** Unlawful drainage determinations.

**FISCAL ANALYST:** Beverly Holloway

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill imposes liability on a governmental entity or on an employee of a governmental entity for gross negligence, willful or wanton misconduct, or intentional misconduct that results in a failure to provide adequate drainage from industrial or commercial sites.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This bill potentially increases the number of lawsuits filed against governmental entities (defined as the State and a political subdivision of the State) and public employees of governmental entities. If a plaintiff is successful, there will be an increase in the damage awards that the State would have to pay. By statute, damage awards cannot exceed \$300,000 for the injury to, or death of, one person in any single occurrence and \$5 M for the injury to, or death of, all persons in that occurrence.

The Office of the Attorney General reports the amount of damages paid as a result of tort claims submitted and tort claim lawsuits filed against the State and by plaintiffs in tort and civil rights litigation between CY 1995 and CY 1999 as follows:

CY	Damages Paid
1999	\$4,681,811
1998	\$2,935,075
1997	\$3,438,230
1996	\$5,742,977
1995	\$6,362,071

The amount paid includes tort claims paid at the time of claim submission, settlements upon the filing of lawsuits, and as a result of a court order. It also includes cases in both federal and state court.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** By allowing a political subdivision or an employee of a political subdivision to be sued under the provision of this bill, there is a potential for increase in the damages paid in a tort claim action. This bill would also increase expenditures associated with litigation.

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of the Attorney General.

**Local Agencies Affected:** Political subdivisions.

**Information Sources:** Dan Dovenbarger, Office of the Attorney General, (317) 232-6201.